

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
BRONSTON WATER ASSOCIATION, INC.) CASE NO. 90-070

O R D E R

On March 27, 1990, Bronston Water Association, Inc. ("Bronston") filed an application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being sufficiently advised, finds:

1. Bronston's supplier, Monticello Utility Commission ("Monticello") increased its rate for wholesale water from \$1.48 to \$1.53 per 1,000 gallons effective January 1, 1990.

2. Bronston did not specify a date for implementing the increased rates to its customers.

3. During the 12 months ending December 31, 1989, Bronston purchased 48,281,500 gallons of water and sold 34,087,130 gallons.

4. Bronston's calculations are incorrect in that the purchased water adjustment was determined by subtracting its supplier's 1985 base rate of \$1.33 per 1,000 gallons from the new rate of \$1.53 rather than the method prescribed by 807 KAR 5:068 and shown in Appendix B.

5. The purchased water adjustment in the amount of 7 cents per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

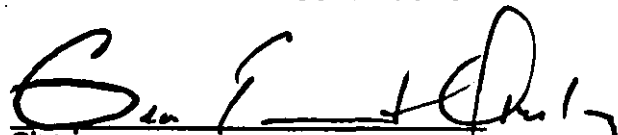
1. The purchased water adjustment and rates proposed by Bronston are denied.


2. The purchased water adjustment of 7 cents per 1,000 gallons and the rates in Appendices A and B, attached hereto and made a part hereof, are approved for services rendered on and after the date of this Order.

3. Within 30 days of the date of this Order, Bronston shall file a revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 11th day of April, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-070 DATED April 11, 1990.

The following rates and charges are prescribed for the customers in the area served by Bronston Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates

Residential and Commercial Customers

First 1,500 gallons	\$8.76 (Minimum Bill)
Next 3,500 gallons	3.67 per 1,000 gallons
Next 5,000 gallons	2.72 per 1,000 gallons
Next 5,000 gallons	2.12 per 1,000 gallons
Over 15,000 gallons	1.72 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-070 DATED April 11, 1990.

Purchased Water Adjustment Calculations

Water Purchased: 48,281,500 gallons
Water Sold: 34,087,130 gallons

Cost at Changed Rate:

48,281.5 m. gallons x \$1.53 = \$73,870.70

Less

Cost at Base Rate:

48,281.5 m. gallons x \$1.48 = \$71,456.62

Increase: \$2,414.08

\$2,414.08 ÷ 34,087.13 m. gallons = \$.0708 or \$.07 per 1,000 gals.